

SUMMARY AND OVERVIEW

EXECUTIVE SUMMARY

In striving to maintain and enhance the City of St. Louis as a desirable place to live, work and do business, the proposed FY2000 Annual Operating Plan emphasizes a continued commitment to those services valued highly by both citizens and visitors as well as a focus on new initiatives that will help ensure the City's prosperity into the future. The existing effort toward stabilizing City neighborhoods coupled with new initiatives toward improving service delivery and promoting economic development demonstrate a recognition by the City administration that enhanced quality of life for City residents is a function of safe neighborhoods, a vibrant downtown, and the efficient and effective delivery of government services.

Neighborhood Stabilization

In FY1999 the Forestry Division expanded its program to enhance the City's appearance. Known as the District Debris program, this effort provides a concentrated clean up of vacant lots and alleys throughout the City on an annual

basis. Success resulting from District Debris has resulted in the decision to retain the added crews on a permanent basis. In addition, an increase of \$360,000 has been provided to the Forestry Division to enhance its weed and debris control efforts. The emphasis on debris control has also resulted in a significant increase in the volume of waste sent to the City's transfer stations for disposal to landfills. In FY2000, an additional \$750,000 will be provided to the Refuse Division to meet these increased waste disposal costs. In recent years, the City has attempted to eliminate the problem of illegal dumping at its source through the efforts of the Trash Task Force. The task force is a patrol unit manned by off-duty police officers who track persons responsible for illegal dumping. In FY2000, an additional \$25,000 in funds are being provided to further this effort.

Another neighborhood initiative, one focusing on public safety, is the ongoing program of street light enhancement. While this effort to enhance

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street lighting throughout the City, most notably around recreation centers, schools, churches and neighborhood parks, has been funded mainly through capital funds, it has resulted in higher annual utility costs. In FY2000, an increase of \$100,000 is provided to meet this increase.

The FY2000 Annual Operating Plan provides an additional \$250,000 for Police overtime patrols, a \$175,000 increase to the Street Department to replenish its supply of salt and snow fighting chemicals and provides for the addition of three full-time custodial positions at the Recreation Division to ensure that each neighborhood recreation center is properly cleaned and maintained.

Economic Development

Uncertainty of funding and resources necessary to sustain day-to-day business operations has had a detrimental effect on the ability of the City's development agency, St. Louis Development Corporation (SLDC), to

perform its function of strategically planning and implementing development plans, projects and policies. The FY2000 Operating Plan provides the initial framework under which a total reorganization of the development function can take place. With the start of the new fiscal year, the Planning and Urban Design and Community Development Administration sections will become new City departments. The administrative costs of these departments will continue to be borne by the Community Development Block Grant (CDBG). Legal services which previously were provided by both the SLDC and the City Counselor are consolidated under the City Counselor. This arrangement takes advantage of expertise available on the City Counselor's staff and provides for a more consistent approach on policy issues. With the increase in legal staff devoted to development issues and the increase in the City's subsidy to the SLDC, the FY2000 Operating Plan devotes an increase of \$1.0 million in general revenue to development activities over FY1999 funding levels.

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In an attempt to eliminate one of the greatest obstacles to home ownership, accumulation of the funds for a down payment, and at the same time boost home ownership in the City, the FannieMae Corporation will partner with the City in a program designed to leverage resources for home ownership. The FY2000 Operating Plan devotes \$250,000 as the City's contribution to the FannieMae Down Payment Assistance Program. These funds provide the required 20% collateral for issuance of a collateralized note of \$1.25 million which will be purchased by FannieMae. The proceeds of the note will be used to assist potential homeowners in financing a portion of down payment and closing costs.

Efficient Service Delivery

In an attempt to reduce the amount of time required to obtain City permits for construction, occupancy, and/or

remodeling of buildings and structures, the Building Division of the Department of Public Safety has instituted a new "one stop shop" initiative. Applicants for various types of permits will be able to go to a single office and interact with all parties necessary to the permit process. The goal of this initiative is to process 50% of all permit applications in one day, and all applications within five days. The incremental cost of this initiative is estimated at \$150,000 for FY2000.

The Emergency Medical Services section of the Fire Department will receive an increase of 40% or \$100,000 for medical supplies in response to a federal agency rule that no longer allows hospitals to provide replacement medical supplies to ambulances delivering patients. Due to a change in the type of emergency medical vehicles in use by the City, Equipment Services Division personnel in lieu of the contract maintenance previously provided will perform maintenance of these vehicles.

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Through a contractual arrangement with St. Louis County, the City will house prisoners awaiting trial at the St. Louis County facility. This arrangement will allow the City to permanently close its 85-year-old Municipal Jail earlier than previously anticipated, while awaiting completion of the new City Justice Center, scheduled for 2002. While the arrangement does not produce direct financial savings for the City, it does eliminate the potential of incurring additional repair costs to the old jail. Additionally, the new agreement will provide valuable experience to employees of the City's Division of Corrections, as the St. Louis County facility is similar in design and operations to the planned City Justice Center. In addition to increasing the appropriation for prisoner health care services by \$500,000, the FY2000 Operating Plan also enhances the medical staff at the Medium Security Institution in an effort to provide better case management.

The FY2000 Operating Plan

contains an increase of \$800,000 in the operating subsidy to Truman Center, the City's long term care facility. The City will also be exploring its options with respect to operating a long-term care facility.

Information Systems and Y2K

The City has instituted a Year 2000 readiness program targeted to achieve Y2K readiness in all substantial respects in computer hardware, application system software, operating system software and systems containing embedded chip technology in order to assure that the City's ability to provide services will not be materially affected due to the failure of any computer systems or applications. In the FY1999 Operating Plan, funding for equipment replacement and contractual services related to the City's Y2K readiness effort was included at approximately \$1.8 million excluding Police and enterprise departments. To complete the tasks, the FY2000 Operating Plan contains an allocation of \$1.3 million

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for the Y2K readiness project. Contingency plans for all critical processes and functions are being developed to ensure, to the extent reasonably possible, uninterrupted operations following December 31, 1999.

Employee Compensation & Other Items

The FY2000 Operating Plan also contains funding for the 2% - 4% cost-of-living pay increases for commissioned police officers and firefighters in accordance with state law, as well as an across-the-board 3% pay increase for other employees in accordance with City ordinances. A change in health insurance premiums and providers is also accounted for at a cost of approximately \$650,000 for employees of all funds. Due to a state law requirement to fund all budget estimates of the Circuit Court, the FY2000 plan includes an increase of approximately \$0.5 million over the current year's budget, mainly for additional employees and building projects. Finally, all lease debt payments are accounted for at the

scheduled amounts. The City will be realizing a net annual savings of approximately \$850,000 due to a restructuring of the debt on the Convention Center and will establish a Health Care Trust Fund utilizing \$6.1 million in reduced debt service reserve requirements. The Trust Fund will be used to fund health care for uninsured and under insured residents of the City.

Capital Improvements

The FY2000 Operating Plan provides funds for the City's share of the cost of reconstructing the vehicle deck and approaches of the EADS Bridge, which spans the Mississippi River linking downtown St. Louis, Missouri and East St. Louis, Illinois. The total cost of the bridge reconstruction project is shared by the City of St. Louis and the Departments of Transportation of Missouri and Illinois.

In FY2000, a total of \$1.1 million in capital funds will be provided to the Board of Education for property

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acquisition, preparation and building demolition on the site of the new Vashon High School.

Federally mandated costs for treatment of sites of former underground storage tanks and abatement of lead paint and asbestos is included in the plan at a cost of \$650,000. The plan also funds two flood protection projects in conjunction with the Corps of Engineers and the Metropolitan Sewer District at a cost of \$750,000. Roadway improvement projects are also funded in the major parks as part of the ongoing parks improvement plan. To provide rolling stock equipment necessary for refuse collection and street sweeping, the FY2000 Operating Plan funds the first year of a three year equipment lease purchase of twenty-one new refuse collection trucks, street sweepers and other vehicles at an annual cost of \$1.2 million. In the current fiscal year, the City completed an ambitious program to resurface all streets in the downtown area. As a result, the amount of funds available for arterial street

resurfacing in FY2000 will be reduced from \$1.0 million to a total of \$700,000. At the same time, City officials will be working to develop a source of permanent financing for arterial street resurfacing.

Highlights of the FY2000 Operating Plan

- Convention Center debt restructuring resulting in \$850,000 in savings.
- Institution of Down Payment Assistance Program to assist in increasing home ownership in the City at a cost of \$250,000.
- Development of a “one-stop shop” permit office to improve the efficiency of the permitting process at a cost of \$150,000.
- Cost-of-living pay and benefit increases for all employees at a cost of \$8.8 million.
- Establishment of new Planning and Urban Design and Community Development Administration sections as part of the City budget.
- A \$1.0 mil increase in the general fund subsidy for development activities
- Increase of \$750,000 in waste disposal costs due to increased volume at transfer stations
- Increase of \$25,000 in support of trash task force effort to curb illegal dumping
- \$1.1 million for Vashon High School development.
- \$650,000 as payment on City’s share of funding to reconstruct EADS Bridge vehicle deck across Mississippi River.
- Additional police overtime at an estimated cost of \$250,000.
- Closure of City Jail and contract with St. Louis County Detention Facility.
- 3-year lease purchase of refuse collection, street-sweeping, and other vehicles at \$1.2 million per year.
- Increase in operating subsidy for long term health care at Truman Center in the amount of \$800,000.
- Continued funding of Y2K readiness program at a cost of \$1.3 mil.
- Increase of \$175,000 to replenish supply of salt and snow chemicals at the Street Department
- Increase of \$360,000 to enhance Forestry Division’s Weed and Debris control efforts.
- Establishment of a Health Care Trust Fund for indigent health care.

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In summary, the total budget appropriation for FY2000 is \$693.0 million. Over 50%, or \$372.4 million, is appropriated from general revenue to pay for day-to-day City operations. City general funds are supplemented by approximately \$57 million in grants from State and Federal Sources. The remainder of the budget comes from a variety of special and enterprise funds maintained by the City in compliance with specific ordinances or agreements. The allocation of these funds is designed to make the City of St. Louis a more desirable place to live, work, and do business. The allocation also reflects the City administration's goal of providing an effective and responsive City government as well as one that can deliver a wide range of recreational, entertaining, and cultural experiences. The service enhancements and infrastructure improvements funded in this plan will promote growth in future economic

activity, which will in turn produce tangible results in jobs and fiscal stability.

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GENERAL FUND OVERVIEW

Sources of Funds

The operating revenues available for appropriation for general fund obligations will rise in FY2000 by 2.5% over the revised FY1999 estimate to \$372.4 million. Nearly 50% of the increased revenue results from steady growth in the Earnings and Payroll taxes, emphasizing the importance to the City of retaining existing jobs, as well as encouraging job creation. These two taxes will account for \$147.5 million or 40% of all general fund revenue in FY2000. Property tax revenues are forecast to increase by 3.4% reflecting increased assessed value of both real estate and personal property. General sales tax revenues are forecast to remain at the current levels, in line with the most recent historical pattern indicated by quarterly collection data. Intergovernmental revenues will be slightly higher resulting from increased reimbursements for Medicare eligible claims, an increase in the per diem reimbursement for housing of

state prisoners, and steady growth in motor vehicle sales taxes.

The expected increase in Franchise and Utility tax revenue of \$1.8 million results from increased activity at the Airport, as well as an expected return to more seasonal weather patterns. Also reflected in this category is the impact of a settlement reached with Southwestern Bell, which will allow the City to have input into the taxable status of new services. Fees for licenses and permits will increase by 1.5% overall with the greatest impact coming from those licenses that are gross receipts based rather than unit based.

Uses of Funds

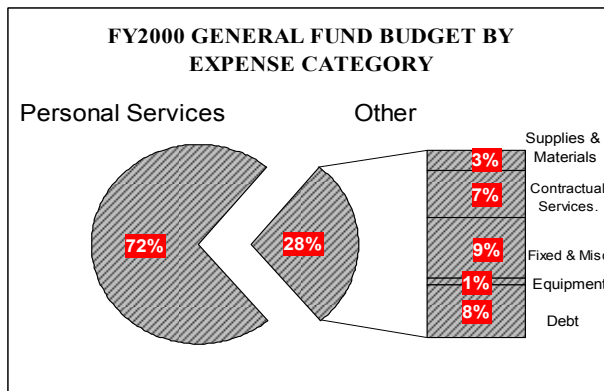
The FY2000 Annual Operating Plan includes a General Fund budget that seeks to provide for continued and enhanced neighborhood stabilization and an allocation scheme designed to ensure that City departments charged with service delivery are provided with the necessary

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resources to fulfill their missions. Major highlights that differentiate this year's plan from that of last year have been identified in a previous table. These include the allocation of funds sufficient to meet the City's debt service requirements, as well as other contractual obligations. Personnel costs represent 72% of the general fund budget and include the impact of cost of

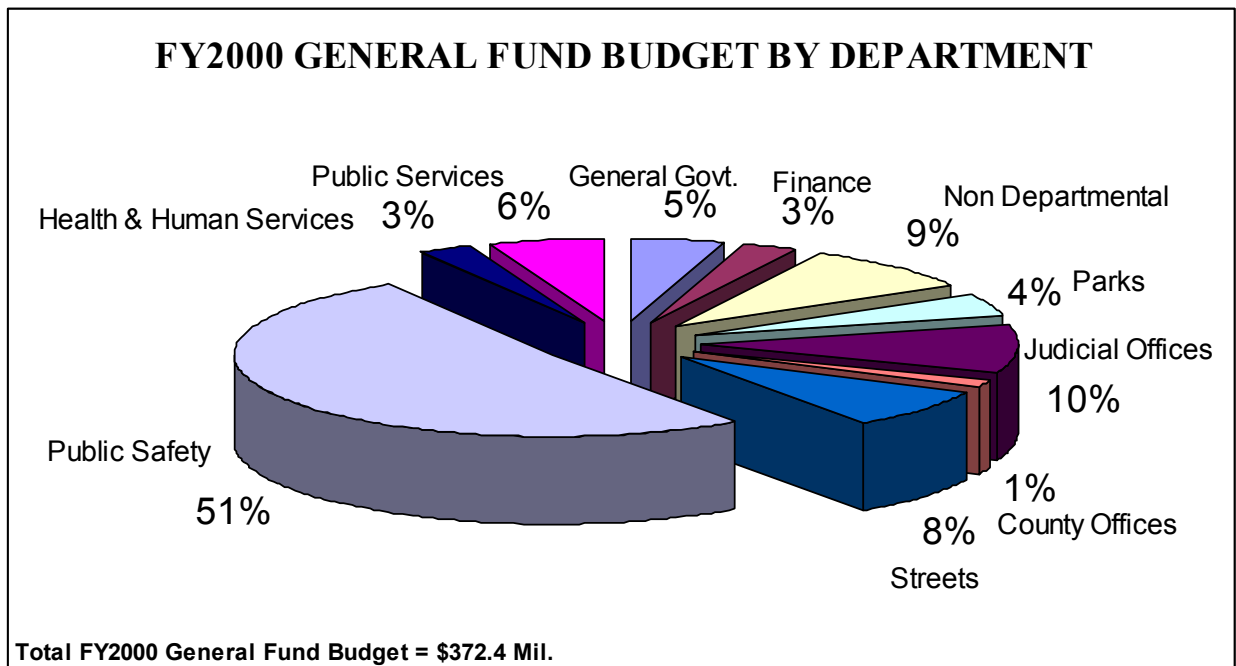
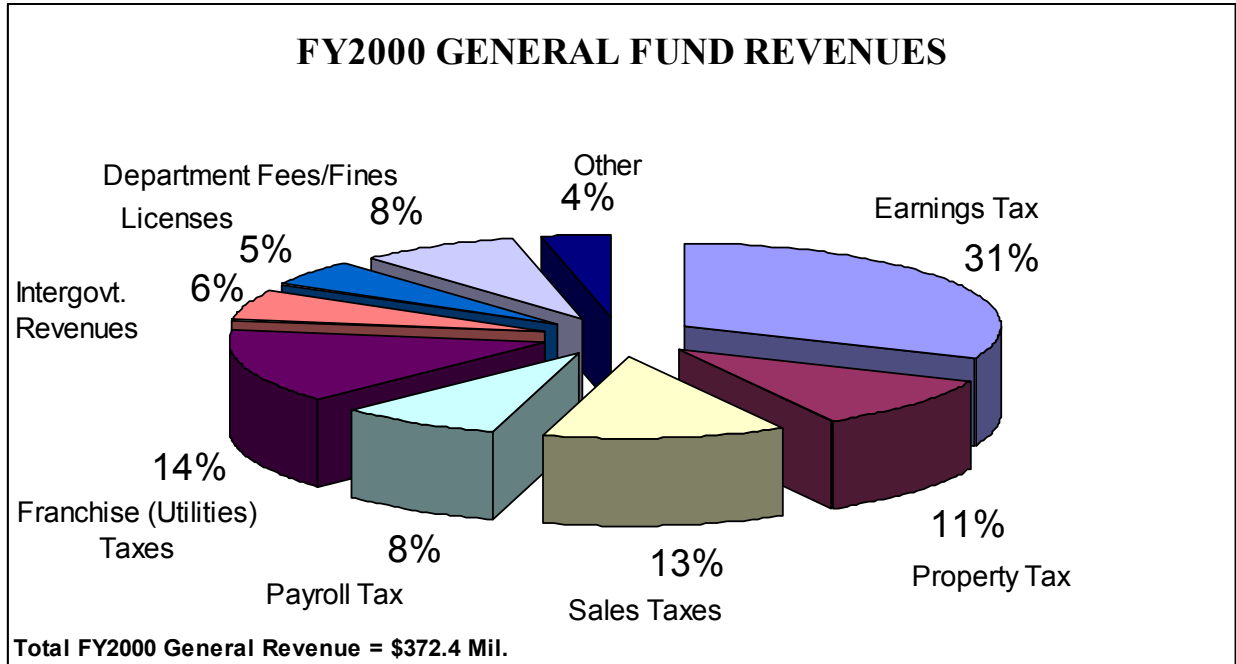
living adjustments granted to employees as well as other benefit increases. New initiatives include increased Police overtime patrols, a restructuring of the permit process, and an increased commitment of funds to long term health care and economic development.

Operationally, the City will enter into a contractual agreement with St. Louis County to provide housing for prisoners formerly housed at the City Jail. The City's Equipment Services Division will assume maintenance of its emergency medical vehicle fleet, in lieu of a previous contractual arrangement.



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The following charts illustrate the sources and uses of funds of the FY2000 general fund budget.



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Projected Operating Results

Based on the expected operating revenue and the proposed appropriations previously identified, the estimated operating surplus for FY2000 is approximately \$41,000. With the \$3.0

million estimated surplus for FY99 being appropriated to the Capital Fund, the City's unreserved general fund balance is projected to be approximately \$21 million or just over the target amount of 5% of the General Fund Budget.

Estimated Revenue	\$372,439,000
General Fund Appropriations	<u>372,397,752</u>
Results from operations	<u>\$41,248</u>

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CAPITAL IMPROVEMENTS

The City of St. Louis Capital Committee has developed a five year Capital Improvements Plan containing projects that have an estimated cost of \$400 million. These projects will be funded through a combination of local, state and federal funds. Over the five year period, an estimated \$176 million will be appropriated for cash payments and debt service requirements, and in some cases the local matching share for road and bridge repair projects and major flood protection projects. The FY2000 Capital Budget funds the first year of the plan with a recommended appropriation of \$35.9 million. The one-half cent sales tax for capital improvement will generate \$17.0 million in FY2000 or nearly 50% of the total revenue. Other revenues supporting the capital budget include \$11.9 million from the general fund, \$3.0 million from projected gaming revenues, \$1.8 million from gasoline tax revenue, \$1.1 million from building demolition revenues and

\$1.1 million from various other sources.

Capital expenses planned for FY2000 include those for projects designed to further the City's goal of stabilizing neighborhoods as well as increasing the efficiency of service delivery through replacement of vital equipment required to deliver those services. Also included are funds necessary to comply with federal mandates regarding environmental hazards such as lead and asbestos abatement, and treatment of former underground tank sites. The major categories of planned capital expenses are presented below:

- **Ward Improvements - \$8.5 million**

Each of the City's 28 wards will be allocated \$304,000 for projects such as neighborhood park improvements, street resurfacing, street lighting enhancements, and refuse container replacement. Actual projects will be determined by the ward alderman subject to approval by the Board of

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Estimate and Apportionment.

- **Major Parks and Recreation Centers - \$3.4 million:** The City's six major parks, Forest, Tower Grove, Carondelet, Fairgrounds, O'Fallon, and Willmore will share \$2.9 million. Planned projects include roadway repairs, skating rink renovations, and improvements to tennis courts. A total of \$0.5 million will be expended on recreation centers for projects such as swimming pool repairs and building modifications to comply with ADA standards.
- **Facility Improvements - \$13.6 million:** Funds categorized as being for facility improvements will service previously incurred debt on the Justice Center and the Civil Courts Building. In addition, improvements are planned for several other city facilities including Soulard Market, Municipal Garage, City Hall, Medium Security Institution and the Missouri Theatre Building which houses the Health &

Hospitals Department. Repairs are also scheduled for the flood wall to enhance protection from potential future flooding of both River des Peres and the Mississippi River.

- **Equipment Replacement - \$3.2 million:** Planned expenditures include replacement of rolling stock necessary to the refuse collection and street cleaning operations along with other vehicle replacements. A three year lease purchase will be used for a portion of the rolling stock at \$1.2 million annually. Continued replacement and upgrading of computer and network equipment is also included at a cost of \$1.1 million. These funds are expected to complete any necessary purchases incidental to the City's Y2K readiness effort.

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- **Bridge and Street Improvements - \$3.8 million:** Twenty bridge and street improvement projects are funded in conjunction with the federal ISTEA program. The City's share of those projects averages 20% of the total cost. This category also includes funds for unforeseen bridge repairs which are not eligible for the federal cost sharing arrangement, as well as any planned arterial street resurfacing.

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BUDGET FORMAT

The remainder of this budget document is divided into the following sections:

Budget Overview: This section provides a more detailed discussion of the City's projected revenues and expenditures. The discussion includes an overall economic outlook for the City and includes summary tables illustrating projected revenues and appropriations for all funds.

Department and Program Budgets

This section is divided by major City departments. Each department begins with a summary of budget statistics and is followed by division and program budgets within each department.

The division and program budgets are presented in a format that contains narrative information about respective programs and identifies outputs and projected performance levels.

Capital Improvements: The City's FY2000 Capital Budget and Capital Improvement Plan are presented in this section. A detailed discussion of the five year plan and description for each capital project are being submitted under a separate cover.

Appendix: The appendix includes supplemental information about the City and its budget including debt issues, the budget process, trends in personnel, etc.

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BUDGET OVERVIEW

This section presents summary information on the FY2000 Annual Operating Plan for the City of St. Louis. The discussion that follows describes the economic outlook for the City and region in the context of both the national and state perspective, and presents a comprehensive review of the general operating fund budget, as well as for enterprise and special revenue funds. Also presented in this section are summary tables of sources and uses of funds for all fund groups and descriptions of the major sources of revenue for FY2000.

ECONOMIC OUTLOOK

U.S. Economy and Outlook

With the U.S. economy headed to a seventh consecutive year of real growth of two percent or greater as measured by real Gross Domestic Product (GDP), the outlook remains cautiously positive. In 1998, the latest year for which information

is available, real GDP growth was calculated at 3.6%. This growth in real GDP was achieved with relatively little price inflation. As measured by the Consumer Price Index (CPI), the inflation rate is expected to be 1.8% in FY1999, and projected to rise to about 2.2% in FY2000. Meanwhile, most forecasters predict that the unemployment rate will remain below the five percent mark. In summary, while the U.S. economy is expected to show some weakening, there is no anticipation of a recession in the near term.

Missouri Economy and Outlook

The number of jobs in the State of Missouri has continued to increase, as evidenced by the state's unemployment rate of 3.3%, nearly a full percentage point lower than the national rate. One of the contributing factors to the strength of the Missouri economy is the ability of Missouri businesses to compete effectively in the world economy. It is estimated that exports support approximately 150,000 jobs in Missouri. With the uncertainty

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regarding many foreign economies, export performance in Missouri may weaken in the forecast period. Facilities expansions by existing Missouri companies which has increased in each of the last two years is expected to continue. The state through its Department of Economic Development has been an active participant in these expansions by providing some form of assistance to 60% of the expanded operations. Personal income growth in the state is projected at 4.8% for 1998. Although this rate could moderate slightly, the growth rate for the next two years is forecast to be in the 4% to 5% range.

St. Louis Economic Outlook

The City of St. Louis is the core of an eleven county metropolitan area covering parts of both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population 2.6 million residents. It is also the office center of the region with approximately 38% of the areas office space. The metropolitan area and the City

are major industrial centers in the Eastern Missouri-Southwestern-Illinois area with a broad range of industries. According to information supplied by the Missouri Division of employment security, total non-agricultural jobs in the metropolitan area have increased by approximately 7,000 in the past two years. Although the distribution of jobs across industry sectors has resulted in a decline in the City's share of jobs in the metropolitan area, the City remains a significant source of jobs in the region with nearly 25% of all jobs. Job growth in the City has been concentrated in the service sector and the expectation is that long term employment growth in the City will be in the areas of medical services, business services, as well as the convention and tourism business.

Following the national trend, medical service providers in the St. Louis area have merged. One of the resulting corporations, Barnes-Jewish Medical Center, which has its headquarters in the City, has recently approved a \$350 million campus integration plan to include in-

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patient acute care, ambulatory care and a cancer treatment center. According to the Regional Commerce and Growth Association (RCGA), this project once completed will inject an estimated \$428 million into the local economy and provide employment for more than 4,700 employees, creating income of approximately \$145.6 million annually.

The Board of Aldermen of the City has approved a master plan for development of a 1.3 million square foot site situated in the heart of the City directly across from historic Forest Park. The development will include prime office space, restaurants, and shops to service both campus workers and park visitors, and a Forest Park Visitor's Center as a cultural anchor. The final development will complement rather than compete with Downtown St. Louis by targeting firms that would otherwise locate in outlying suburban areas. It is anticipated that once fully occupied, the office campus and surrounding venues will have added hundreds of jobs to the City's tax rolls as

well as increasing the assessed value of property in the City.

Through the provision of city services, maintenance of infrastructure and promotion of tourism and business development, the City will be assured of its continuing role as the region's economic center.

FY2000 OPERATING PLAN FUND GROUPS

The general appropriation for the City of St. Louis for FY2000 totals \$693 million. In addition to this appropriation, there are funds such as the Community Development Block grant and the Street Improvement funds among others that are appropriated separately. The following is a brief description of the major funds subject to appropriation followed by tables illustrating recent revenue and expenditure history as well as projected performance in FY2000.

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General Fund

The General Fund is the general operating fund of the City and accounts for all financial transactions not required to be accounted for in another fund. General Fund expenditures account for about one-half of all City expenditures. As the general operating fund, general fund revenues pay for the majority of services delivered to and paid for by citizens. These include administrative costs as well as more visible services such as police and fire protection, emergency and other medical services and maintenance of parks and streets.

Special Revenue Funds

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Funds contained in this category include, government grants, the convention and tourism fund, gaming fund, assessment fund, lateral sewer fund, capital funds, tax

increment financing funds, transportation fund and other miscellaneous special funds. The debt service fund that is used to account for resources and expenses related to the City's general obligation (property tax supported) debt is also included as a special fund. Two other funds are included in this group for illustrative convenience. The City's mail room service operates as an internal service fund in that it provides mail service to departments on a reimbursement basis. The employee benefits fund is an agency fund in that it administers expenditures for the City's various health plans funded by appropriations from other City funds as well as contributions from City employees.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises --where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed

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or recovered primarily through user charges. The major enterprise funds in the City are the Water Division and Airport operations. The Parking Meter Division is also operated as an enterprise fund.

Detailed descriptions of funds within each of these fund groups can be found in the glossary in the Appendix of this document.

FY2000 ALL FUND BUDGET NOTES

The total appropriation of \$693.0 million represents an increase of about 5% over the FY1999 appropriation. In the special funds category, the City's outstanding general obligation debt was retired in FY99, and therefore the property tax levy for the debt service fund will decline. The Gaming Fund appropriation of \$5.4 million has been conservatively budgeted. The Communications Fund will utilize approximately \$300,000 in its existing fund balance to supplement Year 2000 compliance efforts. A total of \$1.1 million in existing building demolition funds will be deposited into the capital

fund. Approximately \$0.4 million in surplus hotel sales tax revenues currently in the Convention and Sports facility trust fund have been appropriated to the General Fund to meet debt service requirements on the convention center facility. A total of \$6.1 million has been allocated to the establishment of a Health Care Trust Fund to fund health care services to uninsured and under-insured City residents.

The tables on the following pages contain summary budget information for all funds. A more detailed discussion of the general fund budget and descriptions of trends in major sources of revenue follow.

FY2000 REVENUE SUMMARY - ALL FUNDS
(in millions)

	FY98 Actual	FY99 Revised	FY00 Budget	Percent Change FY99-00
General Fund				
Earnings Tax	\$110.1	\$113.5	\$116.9	2.9%
Property Tax	36.0	38.1	39.4	3.4%
Sales Tax	46.3	46.8	46.8	0.0%
Payroll Tax	28.7	29.7	30.7	3.3%
Franchise (Utilities) Taxes	50.2	52.0	53.8	3.5%
Other Taxes	1.8	1.8	1.9	5.6%
License Fees	19.5	19.2	19.2	0.2%
Grants & Intergovernmental Revenues	25.4	21.6	22.4	3.4%
Department User Fees and Fines	29.2	29.4	30.7	4.5%
Transfers	10.7	10.8	10.8	-0.2%
	<u>\$357.8</u>	<u>\$362.9</u>	<u>\$372.4</u>	<u>2.6%</u>
Special Revenue Funds				
Property Tax	\$4.6	\$3.2	\$1.9	-38.7%
Sales Tax	1.4	1.1	1.1	3.9%
Franchise (Utilities) Taxes	4.1	4.0	4.2	3.1%
Other Taxes	9.2	8.2	8.4	2.5%
License Fees	1.0	1.0	1.0	0.0%
Grants & Intergovernmental Revenues	37.9	48.0	61.8	28.6%
Department User Fees and Fines	31.0	25.6	31.5	23.1%
Transfers	1.2	1.2	1.2	0.0%
Other Resources	2.6	2.1	8.2	283.4%
	<u>\$93.0</u>	<u>\$94.5</u>	<u>\$119.3</u>	<u>26.3%</u>
Capital Improvements Funds				
1/2 Cent Sales Tax	\$17.2	\$17.0	\$17.0	0.0%
Grants & Intergovernmental Revenues	1.8	1.8	1.8	-2.8%
Transfers	10.9	11.1	13.0	17.5%
Other Resources	5.2	4.2	1.1	-73.0%
Previous Year General Fund Surplus	4.3	5.0	3.0	-40.0%
	<u>\$39.4</u>	<u>\$39.1</u>	<u>\$35.9</u>	<u>-8.1%</u>
Enterprise Funds				
Franchise (Utilities) Taxes	\$3.9	\$4.0	\$4.0	0.0%
Enterprise Revenues	155.4	148.1	163.8	10.6%
Other Resources	0.0	1.2	1.2	0.0%
	<u>\$159.3</u>	<u>\$153.3</u>	<u>\$169.0</u>	<u>10.2%</u>
Total General Appropriation	<u><u>\$649.4</u></u>	<u><u>\$649.7</u></u>	<u><u>\$696.7</u></u>	<u><u>7.2%</u></u>
Funds Appropriated Separately				
Community Development (CDBG) & Housing Grants	\$30.1	\$37.7	\$38.1	1.1%
Street Improvement Fund	4.3	4.5	4.7	5.1%
Parking Division Revenues	8.8	8.4	7.1	-15.0%
Transportation Fund Revenues	26.1	26.2	26.1	-0.4%
	<u>\$69.3</u>	<u>\$76.8</u>	<u>\$76.0</u>	<u>-0.9%</u>
Total All Sources	<u><u>\$718.7</u></u>	<u><u>\$726.5</u></u>	<u><u>\$772.7</u></u>	<u><u>6.4%</u></u>

FY2000 BUDGET SUMMARY - ALL FUNDS
(in millions)

Fund	FY98 Actual	FY99 Budget	FY00 Budget	Percent Change FY99-00
General Fund	\$347.8	\$360.7	\$372.4	3.3%
Special Revenue Funds				
Debt Service Fund	\$5.7	\$2.2	\$0.0	-100.0%
Capital Fund ²	\$38.0	\$41.9	\$35.9	-14.4%
Assessment Fund	\$3.1	\$3.4	\$3.5	0.6%
Employee Benefits Fund	\$17.1	\$19.6	\$24.8	26.8%
Convention and Tourism Fund	\$3.6	\$3.5	\$3.6	2.9%
Lateral Sewer Fund	\$3.1	\$3.5	\$3.6	2.5%
Cable Communications Fund	\$1.1	\$1.4	\$1.4	-5.1%
Port Authority	\$3.3	\$2.3	\$2.2	-5.0%
Riverfront Gaming Fund	\$0.9	\$3.9	\$4.2	7.2%
Convention and Sport Facility Trust Fund	\$4.0	\$5.3	\$4.9	-6.7%
Health Care Trust Fund	\$0.0	\$0.0	\$6.1	100.0%
Other Special Revenue Funds	\$4.9	\$8.4	\$9.0	7.9%
	\$84.8	\$95.3	\$99.1	3.9%
Grant Funds				
St. Louis Agency on Training and Employment	\$5.5	\$6.5	\$12.0	85.7%
Health and Human Services	\$19.3	\$24.7	\$30.4	23.0%
Police Department	\$5.0	\$5.0	\$6.8	36.8%
Community Dev. Planning & Administration	\$0.0	\$0.0	\$3.2	N/A
Other Grants	\$3.4	\$6.2	\$6.7	8.9%
	\$33.2	\$42.3	\$59.1	39.6%
Enterprise Funds				
Water Division	\$38.9	\$44.8	\$44.2	-1.3%
Airport Authority	\$99.3	\$109.1	\$118.3	8.4%
	\$138.2	\$153.9	\$162.5	5.6%
Total General Appropriation	\$604.0	\$652.2	\$693.0	6.3%
Separate Appropriations ¹				
Community Development Programming	\$37.2	\$36.5	\$34.9	-4.3%
Street Improvement Fund	\$4.0	\$4.6	\$4.7	2.2%
Parking Division	\$8.6	\$8.4	\$7.1	-15.0%
Transportation Fund	\$26.2	\$30.4	\$29.4	-3.3%
	\$76.0	\$79.9	\$76.1	-4.7%
Total Appropriations	\$680.0	\$732.1	\$769.2	5.1%

¹ CDBG & housing grants and Street Improvement funds appropriations are for calendar years 1997, 1998, and 1999 and are appropriated separately. Spending for any one grant year appropriation may occur over a period of several years.

² Capital improvement amounts reflect budgeted totals including a supplemental appropriations in FY98.

**FY2000 BUDGET - ALL FUNDS
BY DEPARTMENT**

Department		General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
GENERAL GOVERNMENT						
110	Board of Aldermen	1,972,764	-	-	-	1,972,764
120	Mayor's Office	1,976,286	-	-	-	1,976,286
121	St. Louis Agency on Training and Emp.	171,344	-	11,974,813	-	12,146,157
123	Department of Personnel	3,039,458	-	-	-	27,843,488
	Employee Benefits Fund	-	24,804,030	-	-	-
124	Register	114,623	-	-	-	114,623
126	Civil Rights Enforcement Agency	450,085	-	100,430	-	550,515
130	Soldier's Memorial	0	-	-	-	0
137	Budget Division	3,647,993	300,000	-	-	3,947,993
139	City Counselor	6,500,235	-	-	-	6,500,235
141	Planing and Urban Design	-	-	1,657,338	-	1,657,338
142	Community Development Administration	-	-	1,515,335	-	1,515,335
	Subtotal	17,872,788	25,104,030	12,075,243	-	55,052,061
FINANCE						
160	Comptroller	7,469,519	-	-	-	10,914,693
	Lateral Sewer Fund	-	48,993	-	-	-
	Columbia Bottoms	-	5,000	-	-	-
	Tax Increment Financings	-	1,889,611	-	-	-
	Trustee Lease Fund	-	1,501,570	-	-	-
162	Municipal Garage	203,734	-	-	-	203,734
163	Microfilm	290,629	-	-	-	290,629
170	Supply Commissioner	508,409	-	-	-	508,409
171	Multigraph	1,106,887	-	-	-	1,106,887
172	Mail Room	-	839,601	-	-	839,601
180	Assessor	-	3,453,803	-	-	3,453,803
	Subtotal	9,579,178	7,738,578	-	-	17,317,756
NON-DEPARTMENTAL						
190	City Wide Accounts	34,986,700	-	-	-	42,236,700
	Convention and Tourism Fund	-	3,600,000	-	-	-
	Riverfront Gaming Fund	-	3,650,000	-	-	-
	Subtotal	34,986,700	7,250,000	-	-	42,236,700
PARKS, RECREATION & FORESTRY						
210	Director, Parks, Recreation and Forestry	294,632	-	385,000	-	679,632
213	Division of Recreation	2,402,530	-	-	-	2,402,530
214	Division of Forestry	5,502,976	-	-	-	5,502,976
220	Division of Parks	7,701,548	-	-	-	7,701,548
250	Tower Grove Park	647,000	-	-	-	647,000
	Subtotal	16,548,686	-	385,000	-	16,933,686
JUDICIAL OFFICES						
310	Circuit Clerk	1,637,275	-	-	-	1,637,275
311	Circuit Court	6,016,506	-	-	-	6,016,506
312	Circuit Attorney	4,560,872	1,285,800	205,926	-	6,052,598
313	Board of Jury Supervisors	1,410,077	-	-	-	1,410,077
314	Probate Court	102,100	-	-	-	102,100
315	Sheriff	6,606,784	-	-	-	6,606,784
316	City Courts	2,561,741	0	-	-	2,561,741
317	City Marshal	1,059,592	-	-	-	1,059,592
320	Probation and Juvenile Detention Center	11,889,586	-	-	-	11,889,586
	Subtotal	35,844,533	1,285,800	205,926	-	37,336,259
COUNTY OFFICES						
330	Tax Equalization Board	16,000	-	-	-	16,000
331	License Collector	-	5,649,994	-	-	5,649,994
333	Recorder of Deeds	1,537,082	-	-	-	1,537,082
334	Board of Election Commissioners	1,624,789	-	-	-	1,624,789
335	Medical Examiner	1,321,738	-	100,000	-	1,421,738
340	Treasurer	607,186	-	-	-	607,186
	Subtotal	5,106,795	5,649,994	100,000	-	10,856,789

**FY2000 BUDGET - ALL FUNDS
BY DEPARTMENT**

Department		General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
PUBLIC UTILITIES						
401	Cable Communications	-	1,355,058	-	-	1,355,058
414	Soulard Market	275,437	-	77,600	-	353,037
415	Water Division	-	-	-	44,201,178	44,201,178
420	Airport Authority	-	-	-	118,290,386	118,290,386
	Subtotal	275,437	1,355,058	-	162,491,564	164,199,659
STREETS						
510	Director of Streets	772,931	-	-	-	4,279,547
	Lateral Sewer Fund	-	3,506,616	-	-	-
511	Traffic and Lighting	7,070,289	-	-	-	7,070,289
513	Auto Towing and Storage	1,352,651	-	-	-	1,352,651
514	Street Division	6,251,166	-	-	-	6,251,166
516	Refuse Division	14,591,150	-	343,688	-	14,934,838
520	Port Authority	-	2,177,000	-	-	2,177,000
	Subtotal	30,038,187	5,683,616	343,688	-	36,065,491
PUBLIC SAFETY						
610	Director of Public Safety	400,131	-	-	-	400,131
611	Fire Department	41,128,774	25,000	-	-	41,153,774
612	Firefighter's Retirement System	5,379,050	-	-	-	5,379,050
615	Air Pollution Control	306,129	-	1,044,987	-	1,351,116
616	Excise Commissioner	271,350	-	-	-	271,350
620	Building Commissioner	8,086,439	1,560,000	-	-	9,646,439
622	Neighborhood Stabilization	1,999,074	-	4,389,846	-	6,388,920
625	City Emergency Manangement Agency	232,085	-	-	-	232,085
631	City Jail	0	-	-	-	0
632	Medium Security Institution	17,526,488	-	-	-	17,526,488
650	Police Department	114,896,384	497,721	6,830,939	-	122,225,044
651	Police Retirement System	268,425	-	-	-	268,425
	Subtotal	190,494,329	2,082,721	12,265,772	-	204,842,822
HEALTH AND HOSPITALS						
700	Director, Health and Hospitals	890,948	-	-	-	890,948
710	Health Commissioner	207,249	-	8,677,220	-	8,884,469
711	Communicable Disease Control	1,527,612	-	1,346,582	-	2,874,194
712	School Health	882,935	-	-	-	882,935
713	Public Health Laboratory	682,734	-	-	-	682,734
714	Animal Regulation Center	587,163	-	-	-	587,163
715	Community Environmental Health	1,559,760	-	46,000	-	1,605,760
716	Lead Poisoning Control	352,906	-	315,336	-	668,242
717	Biostatistics/Vital Records	379,800	-	-	-	379,800
719	Immunization Service	398,716	-	250,000	-	648,716
720	Food Control	479,793	-	-	-	479,793
721	Health Promotion/Education	339,850	-	-	-	339,850
737	Health Care Trust Fund	-	6,100,000	-	-	6,100,000
	Subtotal	7,949,616	-	10,635,138	-	18,584,754
HUMAN SERVICES						
800	Director of Human Services	2,098,085	212,500	19,534,693	-	21,845,278
	Subtotal	2,098,085	212,500	19,534,693	-	21,845,278
BOARD OF PUBLIC SERVICE						
900	President, Board of Public Service	5,182,292	988,427	-	-	6,170,719
903	Facilities Management	7,689,755	-	0	-	7,689,755
910	Equipment Services Division	8,228,436	-	-	-	8,228,436
930	Soldier's Memorial	163,085	-	-	-	163,085
	Subtotal	21,263,568	988,427	0	-	22,251,995
CAPITAL IMPROVEMENTS FUND		-	35,905,000	-	-	35,905,000
DEBT SERVICE FUND		-	0	-	-	0
TOTAL BUDGET		\$372,397,752	\$99,355,724	\$58,795,733	\$162,491,564	\$693,040,773

FY2000 BUDGET SUMMARY BY FUND (in million \$)

Sources and Uses	General Fund	Child Support Fund	Building Demolition Fund	Assessment Fund	Battered Persons Shelter Fund	Communications Fund	Lateral Sewer Fund	1119 Special Funds	Riverboat Gaming Fund	SLATE	Community Development Agency *
Projected Beginning Fund Balance	\$21.469	\$0.250	\$2.500	\$0.408	\$0.520	\$0.550	\$4.107	\$6.663	\$0.000	n/a	\$0.034
Revenues											
Earnings Tax	116.865	--	--	--	--	--	--	--	--	--	--
Property Tax	39.439	--	--	0.940	--	--	--	--	--	--	--
Sales Tax	46.750	--	--	--	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	3.800	--	--	--	--	--	--	--	--	--	--
Gasoline Tax	10.000	--	--	--	--	--	--	--	--	--	--
Payroll Tax	30.673	--	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	53.774	--	--	--	--	1.350	2.750	--	--	--	--
Restaurant Taxes	1.900	--	--	--	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--	--
Other Taxes	0.300	--	--	--	--	--	--	--	--	--	--
License Fees	19.224	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	--	--	--	--	--
Grants / Other Intergovt. Revenues	8.650	1.750	--	0.839	--	--	--	--	4.200	10.540	38.058
Dept. User Fees, Fines & Other Rev.	30.264	--	1.471	0.119	0.180	--	--	4.197	--	--	--
Transfers In	9.725	--	--	1.150	--	--	--	--	--	--	--
Other Resources	1.075	--	--	--	--	--	0.225	6.100	--	--	--
Total Sources of Funds	\$372.439	\$1.750	\$1.471	\$3.048	\$0.180	\$1.350	\$2.975	\$10.297	\$4.200	\$10.540	\$38.058
Appropriations											
Personal Services	266.699	0.797	--	2.798	--	0.837	0.345	1.073	0.498	1.388	2.657
Supplies	7.651	0.035	--	0.017	--	0.017	0.005	--	0.010	0.140	--
Materials	3.978	--	--	--	--	--	0.002	--	--	--	--
Equipment (less lease debt)	4.620	0.065	--	0.043	--	0.041	0.201	--	0.013	--	--
Contractual Services	26.923	0.147	1.560	0.327	--	0.306	0.103	0.214	0.003	0.355	34.919
Fixed & Misc. Charges	31.125	--	--	0.268	0.150	0.455	2.900	8.428	0.650	8.657	0.516
Debt Service (plus lease debt)	21.341	--	--	--	--	--	--	--	--	--	--
Transfers Out :											
Capital Lease Payments	7.485	--	--	--	--	--	--	--	--	--	--
Other Transfers Out	2.575	0.800	1.100	--	0.063	--	--	0.575	3.000	--	--
Total Uses of Funds	\$372.397	\$1.844	\$2.660	\$3.453	\$0.213	\$1.655	\$3.556	\$10.290	\$4.174	\$10.540	\$38.092
Projected Ending Fund Balance	\$21.511	\$0.156	\$1.311	\$0.003	\$0.488	\$0.245	\$3.526	\$6.670	\$0.027	\$0.000	\$0.000
nb: Fund balances exclude 27th pay reserves and other designated balances.											

* CDBG funds and St. Louis Street Improvement Fund are appropriated on a calendar year basis and are under separate appropriating ordinances. Fund balances rollover and do not require reappropriation.

FY2000 BUDGET SUMMARY BY FUND (in million \$)

Sources and Uses	1134-40 Grant Funds	Street Improvement Fund *	1217-20 Capital Improvements Funds	General Obligation Debt Service	Tax Increment Financings	Water Division Enterprise Fund	Airport Enterprise Fund	Mail Services Internal Service Fund	Tourism Fund	Employees & Hosp. Health & Hosp. Fund	Convention & Sports Facility Trust Fund	Rams Practice Facility Fund
Projected Beginning Fund Balance	n/a	\$0.183	\$3.080	\$0.000	\$0.000	\$12.000	\$8.000	(\$0.135)	\$0.199	\$1.567	\$1.347	\$1.215
Revenues												
Earnings Tax	--	--	--	--	0.208	--	--	--	--	--	--	--
Property Tax	--	--	--	--	1.001	--	--	--	--	--	--	--
Sales Tax	--	--	17.000	--	1.143	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	--	0.875	--	--	--	--	--	--	--	--	--	--
Gasoline Tax	--	--	1.750	--	--	--	--	--	--	--	--	--
Payroll Tax	--	--	--	--	0.050	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	--	3.780	--	--	0.065	4.000	--	--	--	--	--	--
Restaurant Taxes	--	--	--	--	0.030	--	--	--	3.673	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--	4.462	--
Other Taxes	--	--	--	--	--	--	--	--	--	--	--	--
License Fees	--	--	--	--	--	--	--	--	--	--	--	0.994
Enterprise Revenues	--	--	--	--	--	39.000	124.793	--	--	--	--	--
Grants / Other Intergovt. Revenues	44.433	--	--	--	--	--	--	--	--	--	--	--
Dept. User Fees, Fines & Other Rev.	--	--	--	--	--	--	--	0.850	--	24.804	--	--
Transfers In	--	--	13.025	--	--	--	--	--	--	--	--	--
Other Resources	--	--	1.050	--	0.050	--	--	--	--	--	--	--
Total Sources of Funds	\$44.433	\$4.655	\$32.825	\$0.000	\$2.547	\$43.000	\$124.793	\$0.850	\$3.673	\$24.804	\$4.462	\$0.994
Appropriations												
Personal Services	9.544	1.162	--	--	0.040	16.791	30.954	0.129	--	0.296	--	--
Supplies	0.228	0.293	--	--	--	4.296	3.124	0.005	--	0.004	--	--
Materials	0.169	1.942	--	--	--	1.959	1.204	--	--	--	--	--
Equipment (less lease debt)	1.425	0.115	2.000	--	--	1.390	2.767	--	--	0.012	--	--
Contractual Services	2.987	1.188	22.705	--	--	6.737	19.080	0.704	--	0.128	--	--
Fixed & Misc. Charges	30.080	--	--	--	--	8.480	13.990	0.002	0.200	24.364	--	--
Debt Service (plus lease debt)	--	--	11.200	--	2.305	4.548	47.171	--	--	--	--	0.750
Transfers Out :												
Capital Lease Payments	--	--	--	--	--	--	--	--	--	--	--	--
Other Transfers Out	--	--	--	--	--	--	--	--	3.400	--	4.900	--
Total Uses of Funds	\$44.433	\$4.700	\$35.905	\$0.000	\$2.345	\$44.201	\$118.290	\$0.840	\$3.600	\$24.804	\$4.900	\$0.750
Projected Ending Fund Balance	\$0.000	\$0.138	\$0.000	\$0.000	\$0.201	\$10.799	\$14.503	(\$0.125)	\$0.272	\$1.567	\$0.909	\$1.459
nb: Fund balances exclude 27th pay reserves and other designated balances.												

SUMMARY AND OVERVIEW

FY2000 GENERAL FUND BUDGET

The FY2000 proposed fund general budget for operations is \$372.4 million, an increase of 3.3% over that of FY1999. The proposed allocation of these funds demonstrate a continued commitment to Neighborhood Stabilization efforts initiated in previous budgets along with the recognition that successful economic development activities are key to the City's future. The proposed allocation takes into account all fixed obligations with respect to debt service requirements and contractual commitments and seeks to allocate remaining resources in a manner that will encourage efficiencies in the delivery of citizens' services.

The general fund allocation for Police services at \$114.9 million represents more than 30% of the total budget. In the context of Neighborhood Stabilization, the perception of safety is key to retaining and attracting residents. Included in the allocation for Police services is an increase in funding to provide additional overtime

for neighborhood police patrols. In addition to safety, the attractiveness of neighborhoods is a vital element in the stabilization effort. Funding to enhance the attractiveness of neighborhoods is included in the budget allocations of the Department of Streets, the Department of Parks, Recreation and Forestry, and the Department of Public Safety. To increase the effectiveness of the Trash Task Force's ability to combat and ultimately eliminate illegal dumping, funds have been added to increase the number of hours of surveillance. The Forestry Division's District Debris Program has been retained and is complemented by increased funding for the Weed Program in which employees maintain the appearance of vacant lots and buildings. The effectiveness of the District Debris Program is evidenced by the need to increase funds for disposal of refuse gathered in the program to clean City alleys and vacant lots. This increased requirement is funded in the FY2000 budget at a cost of \$750,000.

With more than 40% of the general fund revenues being directly related to

SUMMARY AND OVERVIEW

employment, it is apparent that economic development activities must have as a focus, retaining existing jobs, as well as the creation of new jobs. Toward that end, the FY2000 general fund budget support for development activities has been increased three-fold to \$1.5 million. Additionally, the budget incorporates a new Planning and Urban Design Division under the direction of the Administration to provide a strategic component to development planning and plan implementation.

In an attempt to make more efficient use of existing personnel and equipment, the Equipment Services Division will assume responsibility for repair and maintenance of the emergency vehicle fleet. The division has developed a plan which demonstrates that these services can be better performed in-house rather than by the contractual arrangement previously used. Other operational efficiencies will occur when the City closes its 85 year old jail facility in favor of a contractual arrangement with St. Louis County for

housing of prisoners. Previous plans called for closing the jail facility in 2002 when the new Justice Center is completed. Early closing will allow the City to avoid costly repairs to a structure which is set for demolition in the near future. The FY2000 budget includes funding for a transitional team to plan for the transfer to the new Justice Center. The new arrangement will provide valuable training for this team in an environment similar to that of the new Justice Center. Purchases of computer equipment and peripherals is consolidated in the Information Systems Section to ensure compatibility and standardization.

The FY2000 budget continues the City's commitment to allocating general revenue funds to finance and maintain public improvements. The sum of \$11.9 million will be transferred to the Capital Fund to offset the cost of debt service on the Justice Center and Civil Courts Building, and to provide matching funds for major road and bridge repairs. Additionally, \$1.8 million is proposed to maintain fixed assets at the City-owned

SUMMARY AND OVERVIEW

Convention Center.

Fixed increases accommodated in the FY2000 budget include a 3% cost-of-living adjustment in pay for all employees other than commissioned police officers and firefighters. The cost of living adjustment in pay for these two classes of employees is either 2% or 4% depending on the employee's length of service. Also accommodated is a scheduled debt service increase of \$0.3 million on the Justice Center and \$0.4 million on the Civil Courts Building. Increases attributed to budget estimates of the Circuit Courts requiring funding for new employees and building renovations are included as mandated by state statute. However, the City continues to negotiate these increases with the Circuit Court with the ultimate outcome of these negotiations determining the extent to which the City will have to reduce its reserves to satisfy the Courts requests.

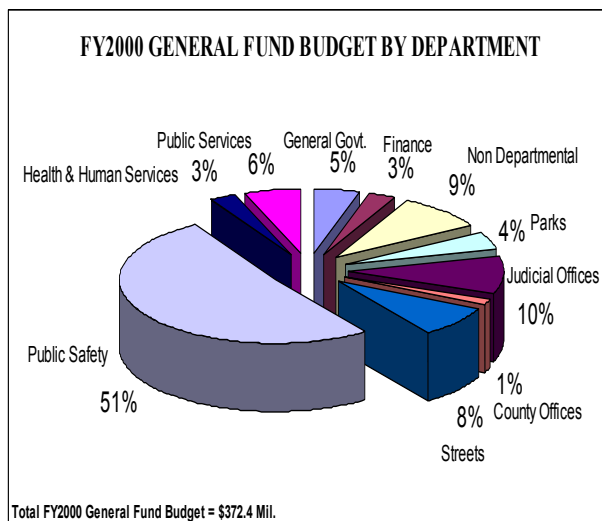
The increased obligations noted earlier are funded by a combination of gains in

operating revenues and reductions in some categories of funding in the FY1999 budget. In this latter category, the City benefits from a reduction in debt service costs of \$0.8 million on the Convention Center resulting from a restructuring of the financing arrangement. In addition, actuarial gains in the Fire Retirement system, and the financial status of the Employees Retirement System allow for a reduction of \$1.7 million from the FY1999 contribution amounts.

SUMMARY AND OVERVIEW

Major changes in the FY2000 General Fund Budget include:

- An increase of \$8.8 million in pay and benefit increases for employees.
- An increase in the operating subsidy for development activities of \$1.0 million.
- An increase of \$750,000 for refuse disposal costs.
- Establishment of “one-stop-shop” permit office to improve the efficiency of the permitting process at a cost of \$150,000.
- Closure of City Jail and contract with County Detention Facility.
- A decrease in debt service cost for the Convention Center in the amount of \$850,000.
- A decrease in retirement system contributions of \$1.7 million.
- An increase in debt service costs for the Justice Center and Civil courts Building of \$700,000.
- A \$360,000 increase for Forestry Division weed & debris control efforts.



SUMMARY AND OVERVIEW

FY2000 GENERAL FUND REVENUES

The proposed general operating of \$372.5 million is supported by revenues expected during the year of \$372.0 and \$0.5 million from the unreserved general fund balance. Expected recurring revenues are generated by several sources, including employment-based taxes, property taxes, gross receipts taxes on utilities and retail sales, intergovernmental revenues from the State of Missouri, and various business license fees and departmental receipts.

Employment based taxes, a category which includes the earnings tax, payroll expense tax, and the graduated business license fee, provide the largest share of general fund revenues. In FY2000, this group will comprise 42% of all general fund revenues and is forecast to grow at a rate of 2.9% over the revised FY1999 amount. Of this group, the earnings tax is most significant and is expected to generate nearly \$117. Million. Earnings and payroll taxes combined are forecast to

grow at a rate of 3.1%, which is consistent with the historical pattern. Revenue generated by the graduated business license fee is expected to remain at the current level of \$7.5 million, and indication of the constant level of employment in the City.

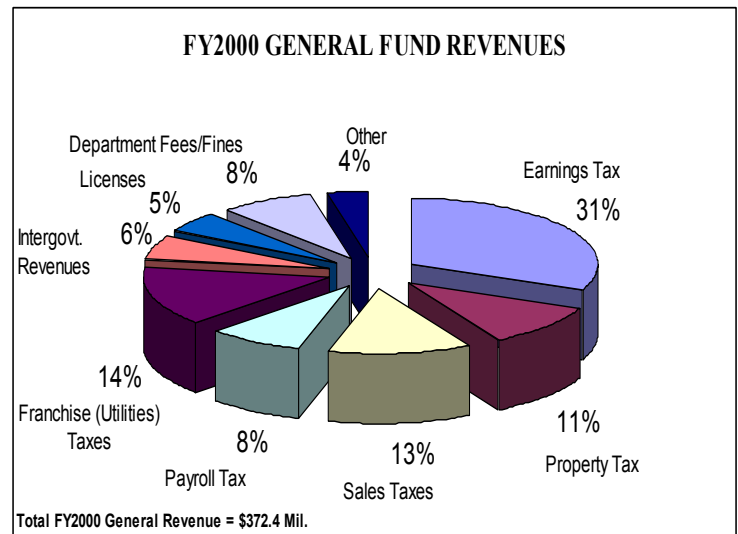
Retail sales taxes are expected to generate \$46.7 million, an amount equal to the current year's revised estimate and around 2% less than originally forecast for FY1999. The sales tax estimate is based on the latest quarterly collection information which indicates that taxable retail sales in the City have not shown any appreciable growth in the last year. Franchise taxes, a category, which includes the utilities' gross receipts tax along with gross receipts tax from the City owned Airport and Water Division, is forecast to generate \$53.8 million, or 3.5% over current estimates. The increase is based on anticipated increased activity at the Airport and on-growing revenues resulting from previously untaxed provided by the utility companies.

SUMMARY AND OVERVIEW

Property tax revenues are forecast to increase by 3.4% to \$39.4 million. The growth in revenues is a function of increases in assessed value of both real estate and personal property. Revenues from sources associated with the hospitality and entertainment industry are again expected to be at about \$17.3 million

This group includes amusement, restaurant, parking and hotel taxes. Revenues channeled through the State should increase by 3.1% to \$22.4 million.

While gasoline tax revenues are expected to remain constant, growth is expected to be provided by automobile sales taxes along with increased reimbursements for both health care and prisoner housing. The following chart depicts the allocation of revenue sources supporting the general fund budget for FY2000.



SUMMARY AND OVERVIEW

Earnings and Payroll Tax

Employment-based tax revenue, i.e., earnings and payroll taxes, continue to grow and provide the largest share of the City's general revenue. The concentration of metropolitan area jobs in the downtown St. Louis area and the stable outlook for employment throughout the area are the basis for our expectation of continued growth from these sources. The FY2000 revenue estimate projects growth of 2.9% for earnings tax and 3.3% for payroll tax, both of which are consistent with long term trends. Earnings and payroll taxes are projected to provide \$116.9 and \$30.7 million, respectively. Together, these account for nearly 40% of the City's general fund revenues.

Tourism and Amusements Tax

Convention and tourism based revenues such as restaurant and hotel taxes are projected to provide \$10.2 million, down from the current year's level of \$10.4 million. Actual growth in hotel and

restaurant receipts is expected to average about 3%. Previously collected revenues, which had been accumulating in a special fund, were transferred in FY1999 accounting for the perceived decrease to the general fund. Amusement tax revenues, which are a function of the prices paid for tickets purchased for sports events are expected to increase due to ticket price hikes and growing popularity evidenced by attendance figures. In FY2000 amusement taxes are projected to be \$4.8 million, up from \$4.6 million in FY1999, an increase of 4.3%. This is exclusive of taxes on professional football games that are allocated to a special fund to retire debt on a football practice facility.

Sales Tax

Local sales tax revenues will account for approximately \$46.7 million based on the local tax rate of 1.375%. Sales tax revenue growth has slowed somewhat and will not achieve the original expected increase of 1.8%. Accordingly, the FY2000 estimate calls for revenues to be

SUMMARY AND OVERVIEW

at the same level as revised estimates for FY1999.

Property Tax

Property tax revenues, which will account for more than 10% of the general fund in FY2000, continue to prove an important piece of the general revenue pie. The forecast for next year recognizes the growth in the personal property area and the statutory prohibition against the realization of a revenue windfall resulting from reassessment of real property. Revenue from real property is allowed to increase limited to an accepted inflation index, plus any increases resulting from new construction. FY2000 revenues reflect the growth on a reduced tax base resulting from impact of transferring large apartment buildings from commercial to the residential real estate class.

Franchise Tax

Revenues from franchise taxes are forecast to increase by over 3% to \$53.7 million. Because these revenues are based on the gross receipts of utility companies, they are to a great extent dependent on

changes in weather patterns, and to a lesser extent on regulatory agency actions. The increase in receipts forecast for FY2000 is due to continued growth in telephone gross receipts tax resulting from a settlement agreement between Southwestern Bell and the City which allows for City input into the taxable status of new services, and to the expansion in the number of gates at Lambert Airport, which should generate additional revenue.

Licenses and Permits

License and permit revenue is expected to increase from the current year's level, by approximately 2% with increases in gross receipts based licenses such as the ones levied on parking garages, sporting events, and building and occupancy permits. Some of the increase will be offset by an expected decrease in revenue from the cigarette license tax. Others, such as liquor, graduated business, and automobile licenses are forecast to remain at the current year's level.

SUMMARY AND OVERVIEW

Intergovernmental Revenues

Revenues received from the State include the motor vehicle sales tax and a gasoline tax, both of which are imposed statewide and distributed to local jurisdictions based on a statutory or constitutional formula. Because of increased automobile sales statewide, the distribution to the city of motor vehicle sales tax has been growing. This growth is projected to continue in FY2000. The distribution of gasoline tax revenues now includes a county portion for the City of St. Louis. The value of the county distribution is approximately \$450,000 per year.

CITY OF ST. LOUIS
GENERAL FUND REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1997-98	Revised Estimate FY 1998-99	Projected Receipts FY 1999-00	Percent Change
Earnings Tax	\$110,144,734	\$113,525,000	\$116,865,000	2.9%
Sales Taxes	46,329,799	46,750,000	46,750,000	0.0%
Property Tax	35,998,242	38,139,000	39,439,000	3.4%
Payroll Expense Tax	28,717,502	29,700,000	30,673,000	3.3%
Franchise / Utility Taxes:				
Electricity	23,176,742	24,000,000	24,500,000	2.1%
Natural Gas	7,217,143	7,100,000	7,900,000	11.3%
Telephone	10,537,490	11,100,000	11,400,000	2.7%
Water	4,226,393	4,000,000	4,000,000	0.0%
Airport	4,280,928	5,000,000	5,200,000	4.0%
All Other franchise fees	727,930	774,000	774,000	0.0%
Subtotal	50,166,626	51,974,000	53,774,000	3.5%
Intergovernmental Revenues:				
Gasoline Tax	9,946,693	10,000,000	10,000,000	0.0%
Health Care Payments	4,405,691	2,524,000	2,850,000	12.9%
Prisoner Housing Reimbursement	7,440,682	5,200,000	5,200,000	0.0%
Motor Vehicle Sales Tax	3,484,548	3,700,000	3,800,000	2.7%
Intangible Tax	72,253	160,000	300,000	87.5%
Subtotal	25,349,867	21,584,000	22,150,000	2.6%
Licenses:				
Graduated Business License	8,022,538	7,600,000	7,600,000	0.0%
Cigarette Occupational License	2,344,061	2,275,000	2,118,000	-6.9%
Sports and Amusement	4,400,384	4,663,000	4,576,000	-1.9%
Automobile	1,416,273	1,425,000	1,425,000	0.0%
Parking Garages and Lots	1,993,887	2,200,000	2,300,000	4.5%
Liquor	407,477	414,900	415,400	0.1%
Other Licenses	926,388	610,400	589,600	-3.4%
Subtotal	19,511,008	19,188,300	19,024,000	-0.9%

Departmental Revenues:

CITY OF ST. LOUIS
GENERAL FUND REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1997-98	Revised Estimate FY 1998-99	Projected Receipts FY 1999-00	Percent Change
Fines and Forfeits	7,067,331	8,272,000	8,117,000	-1.9%
Building and Occupancy Permits	2,794,794	2,367,000	2,634,000	11.3%
Departmental User Fees & Other	19,318,818	18,716,700	19,913,000	6.4%
Subtotal	29,180,943	29,355,700	30,664,000	4.5%
Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts ¹	4,000,000	5,250,000	4,900,000	-6.7%
Restaurant Gross Receipts - 1 cent ¹	3,150,000	3,300,000	3,400,000	3.0%
Restaurant Gross Receipts - 1/2 cent	1,783,145	1,800,000	1,900,000	5.6%
Subtotal	8,933,145	10,350,000	10,200,000	-1.4%
All other revenues and transfers	3,514,256	2,400,000	2,900,000	20.8%
Subtotal	3,514,256	2,400,000	2,900,000	20.8%
TOTAL GENERAL FUND REVENUES	\$357,846,122	\$362,966,000	\$372,439,000	2.6%

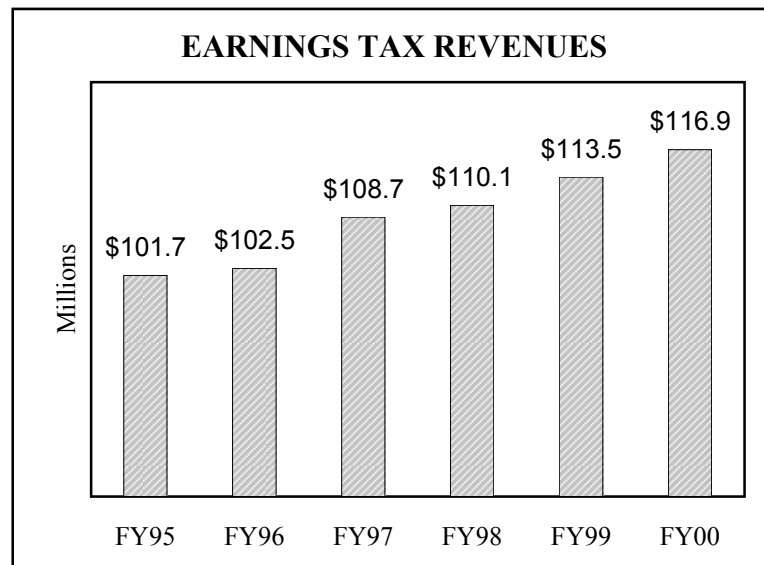
¹ Transfers from convention and sports facility trust fund and convention and tourism fund respectively

EARNINGS TAX

Definition

A one percent tax levied against employee gross compensation and business net profits.

The tax applies to all residents of the City of St. Louis regardless of where they work. It also applies to the earnings of non-residents who work within the city limits.



Discussion

The city earnings tax is the most significant single source of general fund revenues, comprising nearly one-third of the total revenues. Receipts from individual taxpayers comprise about 85 percent of total earnings tax revenues, with businesses paying the remaining 15 percent. The Collector of Revenue is authorized by State law to retain a percentage of collections to pay for office operations. Funds not used for operations, including interest, are returned to the city.

Revenues are projected to increase by 2.9% in fiscal 2000, consistent with the pattern established over the last 5 years.

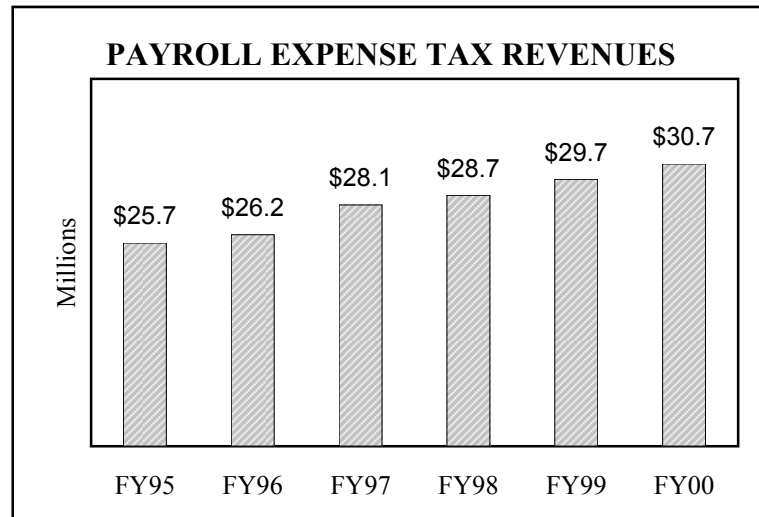
PAYROLL EXPENSE TAX

Definition

A tax of one-half of one percent of total compensation paid by a business to its employees for work performed in the City of St. Louis. Not-for-profit charitable or civic organizations are exempt from the payroll expense tax.

Discussion

The payroll expense tax was implemented in 1988 as part of an overall tax reform package, the aim of which was to redesign the city revenue base to be more attuned to changes in the economy. Payroll expense tax receipts follow trends in earnings tax collections, but grows at a different rate, due to a somewhat different base and exemptions noted above. Revenue from this source is expected to increase by 3.4% in fiscal 2000.

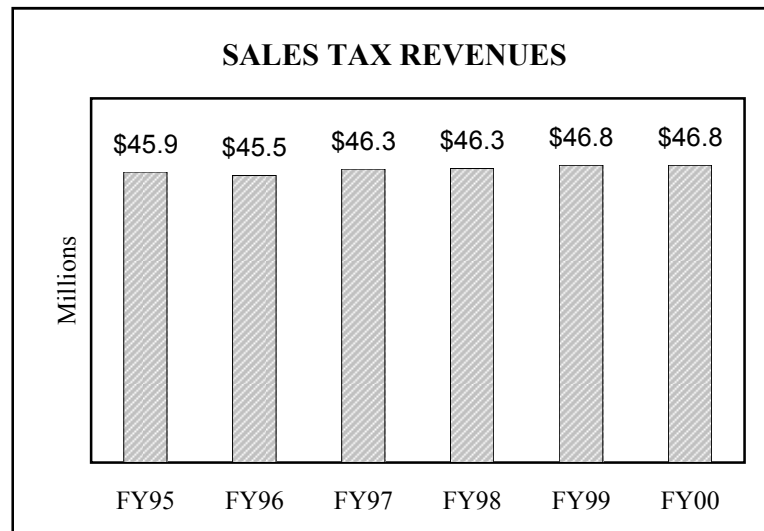


SALES TAX

Definition

A one and three-eighths percent tax levied on retail sales in the City of St. Louis. Sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.

Discussion

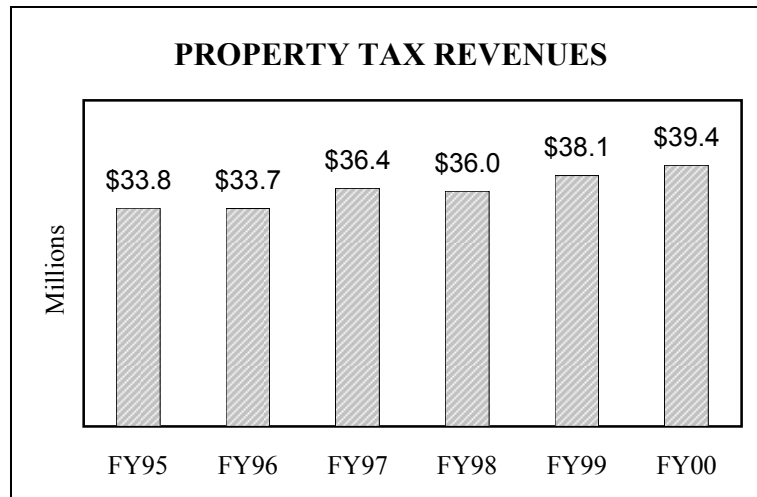


The chart above shows the collections history of the city's 1.375% local sales tax. Authorization for the 0.375% portion of the tax expired in 1990. This portion was reauthorized in 1993 and is fully reflected in the FY95 revenues. Revenue from sales tax in fiscal 2000 is forecast to remain at the current years amount.

REAL AND PERSONAL PROPERTY TAXES

Definition

A tax levied on the assessed value of all real and personal property. The current tax rate is \$7.142 per \$100 assessed value



Discussion

Real and personal property tax revenues are distributed to the following taxing jurisdictions.

State	\$ 0.030
Schools	\$ 4.300
Junior College	\$ 0.240
Library	\$ 0.560
Zoo, Museum, Garden District	\$ 0.232
Sewer District	\$ 0.090
Sheltered Workshop	\$ 0.150
Community Mental Health	\$ 0.090
City - General Purposes	\$ 1.450
TOTAL	<hr/> \$ 7.142

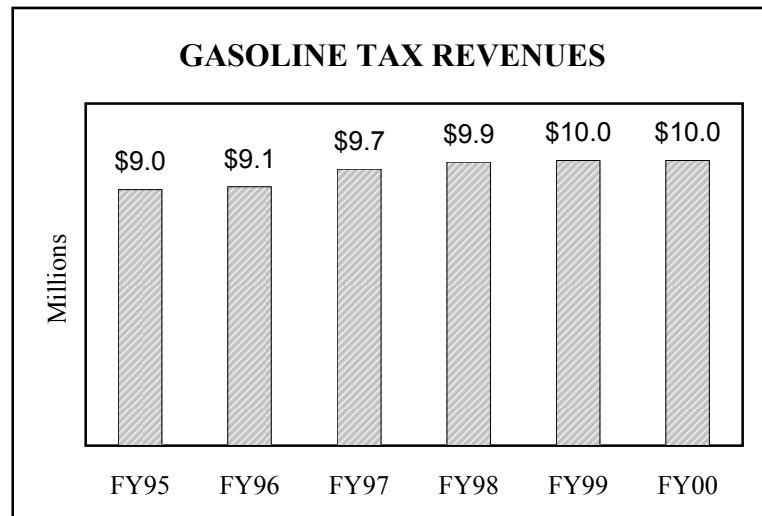
Taxes are levied on all real and personal property owned as of January 1 in each year. Tax bills are normally mailed in November and payment is due by December 31, after which taxes become delinquent. Assessment ratios are 19% for residential property, 32% for commercial property, and 12% for agricultural real estate. Personal property is assessed at 33.3% of the appraised market value.

In addition to the rate shown, commercial real property is taxed at a rate of \$1.64 per \$100 assessed valuation, as a replacement for the Manufacturer's Inventory tax.

GASOLINE TAX

Definition

A per unit tax levied on the sale of motor fuel purchased statewide. The gasoline tax is levied by the state and remitted monthly to local jurisdictions based on the proportionate share of the total population.



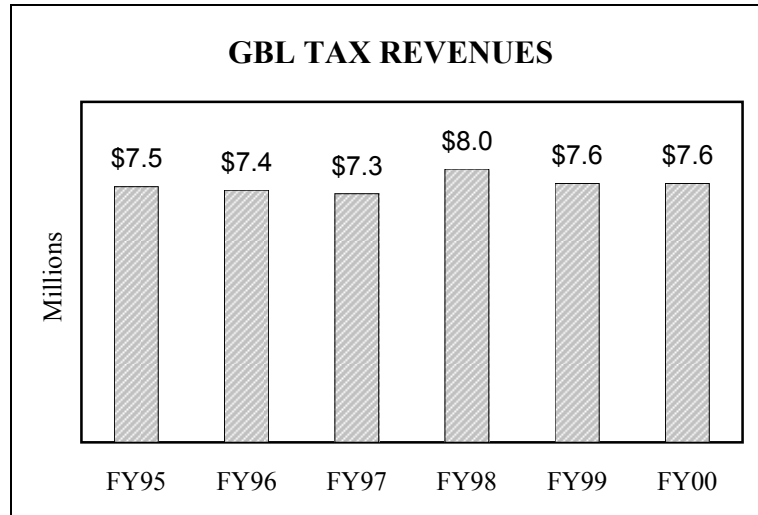
Discussion

The gasoline tax rate is \$0.17 per gallon. In 1992, the tax rate increased by \$0.02 per gallon. Additional \$0.02 per gallon increases followed in 1994 and 1996. Each of these changes added about million dollars to the City's share of gasoline tax revenues. In addition, the City receives a share based on its status as both a city and a county. The new "county" share is worth approximately \$450,000 in the current fiscal year. A portion of the additional revenues, currently \$1,750,000, is dedicated to the Capital Improvements Fund for street and bridge projects.

GRADUATED BUSINESS LICENSE TAX

Definition

A flat rate tax on businesses based on the number of persons a business employs within the city limits. The tax rate ranges from \$150 for employers with two or fewer employees to \$25,000 for employers with more than five hundred employees.



Discussion

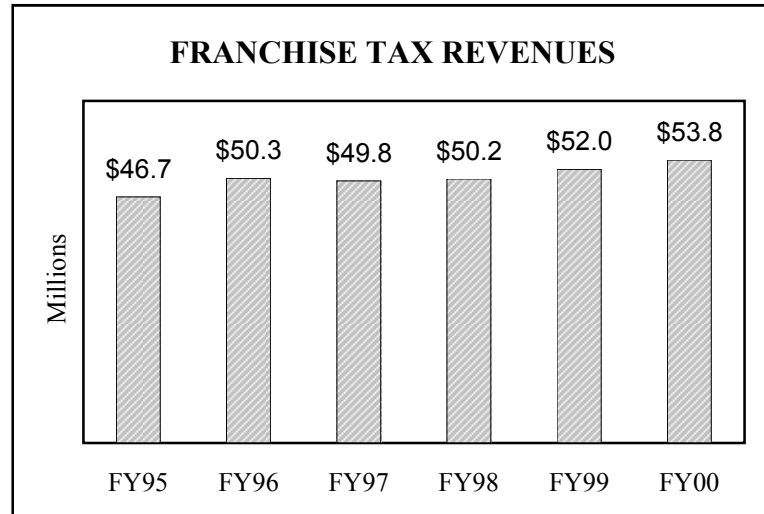
The graduated business license tax and provides a consistent source of revenue of about \$7.5 million per year. As indicated by the chart above, the level of employment activity has remained relatively constant. Taxes are based on the following schedule.

Number of Employees	GBL Tax
501 or more	\$25,000
401-500	\$23,000
301-400	\$20,000
201-300	\$17,000
151-200	\$13,500
101-150	\$10,000
76-100	\$7,500
51-75	\$5,000
41-50	\$3,000
31-40	\$2,000
21-30	\$1,500
11-20	\$1,000
6-10	\$500
3-5	\$250
2 or fewer	\$150

FRANCHISE TAX

Definition

A tax on the gross receipts of utility companies operating within the city, including sales of electricity, natural gas, telephone services, water and steam, and on the gross receipts of the Airport.



Discussion

The tax rate for companies supplying natural gas and electricity is 10% of the gross receipts from their commercial customers and 4% of the gross receipts from residential customers. Companies supplying telephone service, steam and water are taxed at 10% of their gross receipts from all customers. The taxes are passed on to the ultimate consumers.

The tax on natural gas and electricity account for about two-thirds of all franchise tax revenue. Rate changes for supplying natural gas, electricity, and telephone service are subject to approval by the Missouri Public Service Commission.

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1997-98	Revised Estimate FY 1998-99	Projected Receipts FY 1999-00	Percent Change
SPECIAL FUND REVENUES:				
Child Support Unit - State & Misc. revenues	\$1,760,598	\$1,750,000	\$1,750,000	0.0%
Building Demolition Fund - Permits/Recoveries	1,332,491	1,411,000	1,471,000	4.3%
Assessment Fund				
Real Estate Tax	962,934	940,000	940,000	0.0%
State Reimbursements	826,622	839,000	839,000	0.0%
Other	135,651	468,600	568,600	21.3%
General Fund Subsidy	1,150,000	1,150,000	1,150,000	0.0%
	<u>3,075,207</u>	<u>3,397,600</u>	<u>3,497,600</u>	<u>2.9%</u>
Battered Persons Shelter Fund	137,712	135,000	135,000	0.0%
Communications Fund				
Cable Television Gross Receipts Tax	1,302,257	1,350,000	1,350,000	0.0%
Fund Balance	0	500,000	300,000	-40.0%
	<u>1,302,257</u>	<u>1,850,000</u>	<u>1,650,000</u>	<u>-10.8%</u>
Lateral Sewer Fund				
Tax receipts and interest	2,845,109	2,975,000	2,975,000	0.0%
Fund Balance	170,819	496,000	580,609	17.1%
	<u>3,015,928</u>	<u>3,471,000</u>	<u>3,555,609</u>	<u>2.4%</u>
Miscellaneous Special 1119 Funds				
Columbia Bottoms	287,287	200,000	50,000	-75.0%
Port Authority (including gaming lease)	2,973,895	2,066,000	2,177,000	5.4%
Health Care Trust Fund	0	0	6,100,000	n/a
Other Special Revenue Funds	484,551	746,738	1,810,812	142.5%
	<u>3,745,733</u>	<u>3,012,738</u>	<u>10,137,812</u>	<u>236.5%</u>
Riverfront Gaming Revenues (excl. Port lease)	4,171,602	4,200,000	4,200,000	0.0%

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1997-98	Revised Estimate FY 1998-99	Projected Receipts FY 1999-00	Percent Change
Government Grant Fund Revenues				
St. Louis Agency on Training & Employment	5,375,767	6,450,042	11,976,343	85.7%
Police Department Grants	2,701,713	4,931,702	6,770,939	37.3%
Other Government Grants	22,070,691	29,850,070	36,500,013	22.3%
	30,148,171	41,231,814	55,247,295	34.0%
Capital Improvements Funds				
1/2 Cent Sales Tax	17,147,704	17,000,000	17,000,000	0.0%
Gasoline Tax	1,750,000	1,750,000	1,750,000	0.0%
Previous Year Surplus	4,338,047	5,080,000	3,000,000	-40.9%
Income From Sale Of City Assets	6,701,327	3,350,000	750,000	-77.6%
Transfers from General and Other Funds	8,606,758	11,085,000	13,405,000	20.9%
Interest Earnings	864,611	864,559	0	
	39,408,447	39,129,559	35,905,000	-8.2%
Debt Service Fund				
Property Taxes	3,801,703	1,028,364	0	-100.0%
Fund Balance	1,852,324	1,028,364	0	-100.0%
	5,654,027	2,056,728	0	
Tax Increment Financing	3,535,615	2,695,000	2,547,000	-5.5%
Mail Services Internal Service Fund	678,710	850,000	850,000	0.0%
Convention and Tourism Fund				
Restaurant Gross Receipts Tax (1%)	3,501,406	3,566,000	3,673,000	3.0%
Employee Benefits Fund	17,208,867	19,600,000	24,804,000	26.6%
Convention and Sports Facility Fund				
Hotel and Motel Sales Tax (3.5%)	4,326,529	4,114,000	4,500,000	9.4%
Rams Practice Facility Fund				
NFL Gross Receipts Tax	926,361	994,000	994,000	0.0%
Subtotal Special Fund Revenues	123,929,661	133,464,439	154,917,316	16.1%

ENTERPRISE FUND REVENUES:

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1997-98	Revised Estimate FY 1998-99	Projected Receipts FY 1999-00	Percent Change
Water Division				
Net Sales of Water	36,500,000	35,000,000	35,000,000	0.0%
Gross Receipts Tax	3,866,000	4,000,000	4,000,000	0.0%
All Other Income	3,600,000	5,800,000	5,200,000	-10.3%
	43,966,000	44,800,000	44,200,000	-1.3%
Lambert St. Louis Airport				
Landing Fees	35,143,000	35,240,751	40,888,000	16.0%
Rents	27,158,000	30,197,033	34,765,000	15.1%
Concessions	19,400,000	18,795,583	22,834,000	21.5%
Parking & Miscellaneous	12,116,000	9,857,496	15,619,000	58.4%
All Other Income	21,470,000	14,412,098	10,687,000	-25.8%
	115,287,000	108,502,961	124,793,000	15.0%
Subtotal Enterprise Funds	159,253,000	153,302,961	168,993,000	10.2%
Total Special and Enterprise Revenues	\$283,182,661	\$286,767,400	\$323,910,316	13.0%
Revenues Appropriated Separately:				
Street Improvement Fund				
Motor Vehicle Sales Tax	848,116	853,000	875,000	2.6%
Franchise (Utility) Taxes	3,491,074	3,571,700	3,780,000	5.8%
	4,339,190	4,424,700	4,655,000	5.2%
Community Dev. Block Grants / Housing Grants	30,053,498	37,698,000	38,058,000	1.0%
Parking Division				
Parking Facilities Revenues	2,577,176	2,700,000	2,535,000	-6.1%
Parking Meter Division and Violations	6,223,799	5,716,000	4,608,600	-19.4%
	8,800,975	8,416,000	7,143,600	-15.1%
Transportation Fund				
Transportation 1/2 Cent Sales Tax	17,205,775	17,000,000	17,000,000	0.0%
Metrolink 1/4 Cent Sales Tax	8,618,545	8,500,000	8,500,000	0.0%
Other	250,000	700,000	600,000	-14.3%
	26,074,320	26,200,000	26,100,000	-0.4%
Total All Special and Other Fund Revenues	\$352,450,644	\$363,506,100	\$399,866,916	10.0%

AIRPORT AUTHORITY (Lambert-St. Louis International Airport)

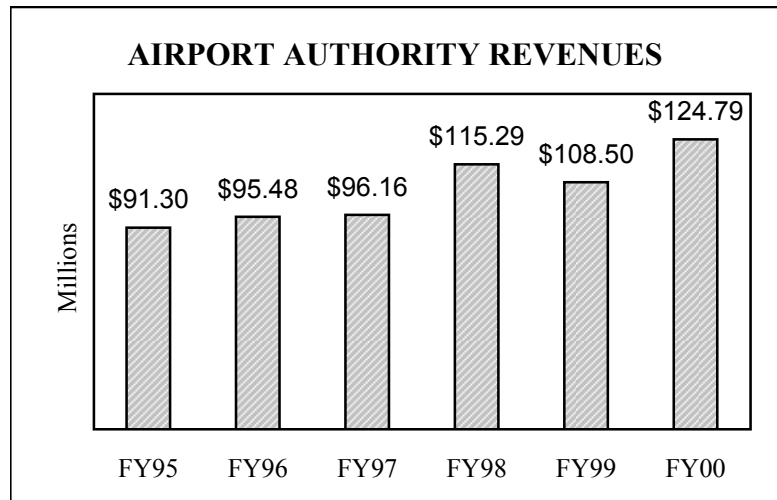
Definition

Airport revenue comes from Signatory Airline Fees, Concession Revenues, Interest Income and other revenues.

Discussion

Lambert - St. Louis International Airport receives just over half of its operating revenues from signatory airlines in the form of landing fees and terminal rents. Signatory airlines are those airlines serving the Airport who have signed use agreements and include: American, Continental, Delta, Northwest, USAir, Southwest, TWA, Trans States and United. The Airport also receives revenues from concessions that operate on Airport property. Concession fees include revenues from the following activities: food & beverage sales, giftshops, coin devices, ground transportation, public parking, car rentals, space rental, in-flight catering and other concession revenues. Other revenues include non-signatory airline fees, cargo, hangar, tenant improvement surcharges, employee lot, gain on sale of investments and other miscellaneous revenues.

Lambert - St. Louis International Airport has completed the expansion of its East Terminal with the addition of twelve (12) new gates. The increase in projected revenue for fiscal 2000 is mostly attributable to this expansion.



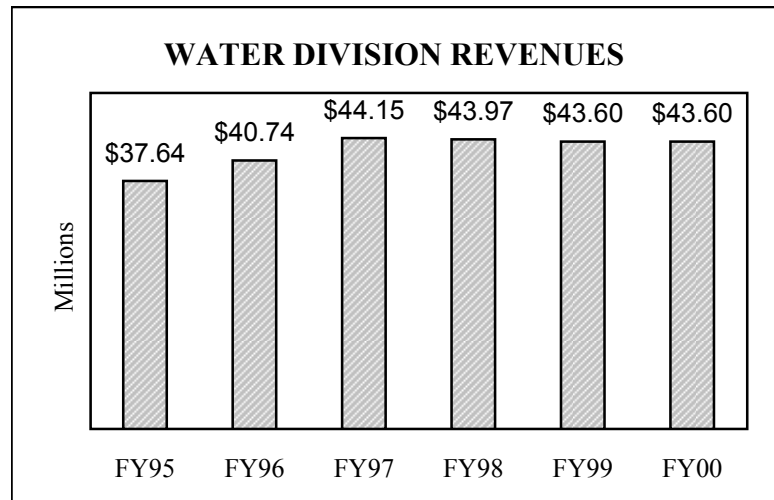
WATER DIVISION

Definition

The Water Division receives revenues from Net Sales of Water, Gross Receipts Tax and other miscellaneous income.

Discussion

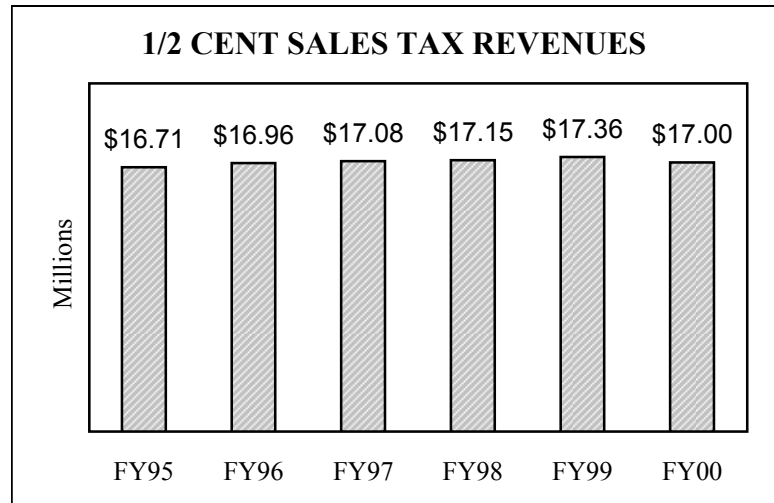
Revenues from net sales of Water include sales to flat-rate and metered customers and sales to other governmental jurisdictions. While the number of metered and unmetered customers has decreased slightly the sales to other governmental jurisdictions has more than compensated for the decrease. The Gross Receipts Tax is a 10% utility tax levied on all purchasers of water from the Water Division and payable to the City's General Fund. The other miscellaneous income is mostly revenue from services the Water Division performs, such as repairing damaged fire hydrants or tapping water lines for new buildings.



1/2 CENT CAPITAL SALES TAX

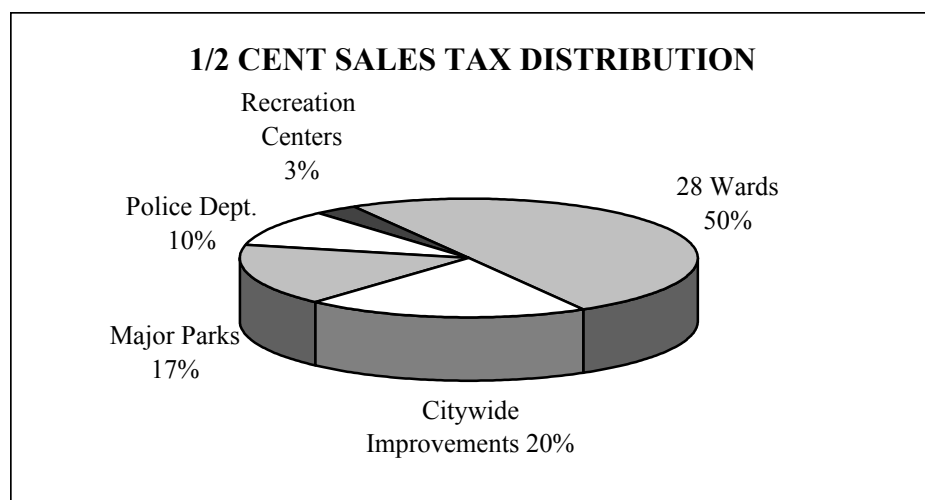
Definition

A one half percent tax levied on retail sales in the City of St. Louis is dedicated to Capital expenditures. The sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.



Discussion

City voters approved the 1/2 cent sales tax for capital improvements in August, 1993. FY95 represented the first full year of collections of this new source of revenue. Projected revenue for fiscal 2000 is expected to remain relatively constant at a level of about \$17.0 million. The City ordinance authorizing the 1/2 cent sales tax included a formula for allocating the proceeds among various capital spending areas. This allocation is illustrated in the pie chart below:



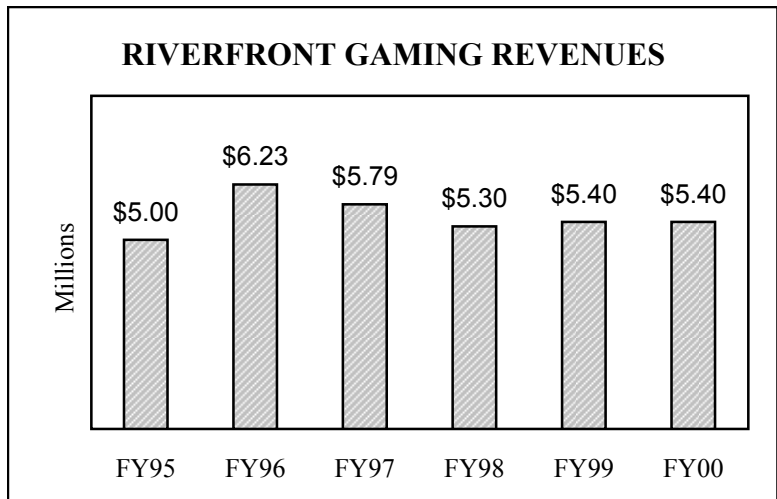
RIVERFRONT GAMING

Definition

Riverfront Gaming revenues come primarily from three sources:

1) the local share of the state gaming tax, 2) the local share of the state admissions tax, and 3) the lease agreement with the City Port Authority

Discussion



Riverboat gaming on the St. Louis riverfront began in May, 1994 with the opening of President Casino's Admiral riverboat. The variety of games was somewhat limited until "games of chance" (e.g. slot machines) were permitted by law beginning in December, 1995. The State of Missouri imposes a 20% tax on the adjusted gross receipts (AGR) of riverboat gambling facilities as well as a \$2 head tax on the number of admissions. By state statute, the City receives a 10% share of the state tax or 2% of AGR. The City is also entitled to one-half the state admission fee or \$1 per admission. The City receives an additional 2% of AGR through a lease between the riverboat operator and the City's Port Authority.

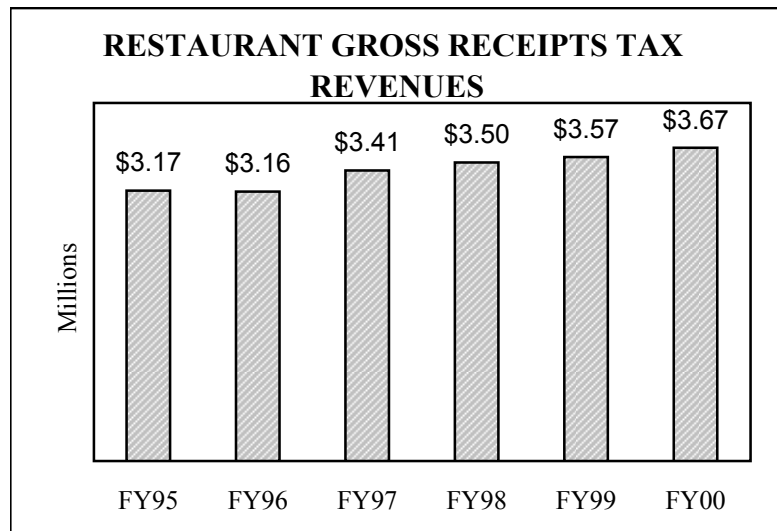
Two major factors affecting the City's receipts from riverboat gaming are the level of competition from other gaming facilities in the area and river stage levels that may periodically limit access to the riverboat.

RESTAURANT GROSS RECEIPTS TAX

Definition

A 1% tax levied on the gross receipts of restaurants, excluding the sale of alcoholic beverages.

Discussion



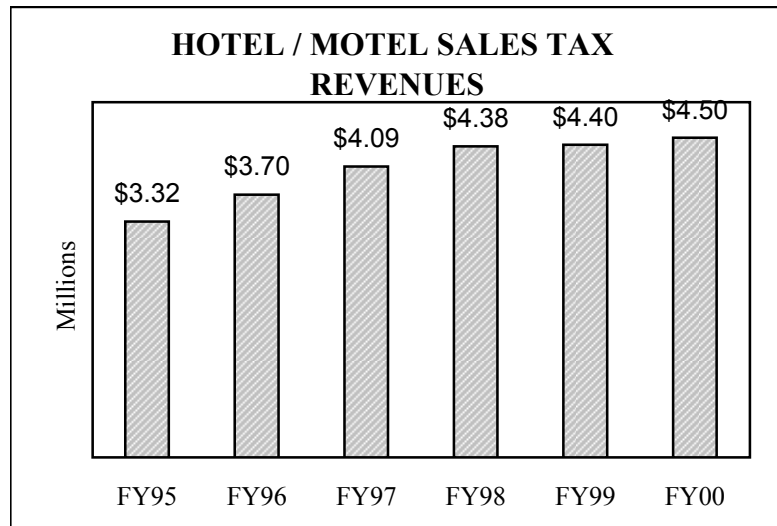
The 1% restaurant gross receipts tax serves as the source of revenue to the City's Convention and Tourism Fund. The fund was established to foster and promote the City's convention and tourism industry. Revenues from this source are used to offset debt service payments on the Cervantes Convention Center.

HOTEL / MOTEL SALES TAX

Definition

A 3.5% tax levied on the price of a hotel room rate.

Discussion



Beginning in FY94, the City's \$2.00 license fee per occupied hotel room was replaced by a 3.5% sales tax on hotel and motel receipts. The change in structure has allowed this source of revenue to grow with inflationary increases in the cost of a hotel room. Proceeds from this tax are deposited into a Convention and Sports facility trust fund and are used to offset debt payments on the City's convention center.